

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1156 - SB 1185

March 7, 2017

SUMMARY OF BILL: Requires the Chief Procurement Office (CPO) to provide the Comptroller of the Treasury (Comptroller) a list of all state governmental entity contracts, grants, and a cost of each, and update the list each time a state governmental entity enters into, cancels, amends, or extends a grant or contract. Requires the Comptroller to make the list available on the Comptroller's website. Requires the cost of creating and maintaining such a list to be offset by an administrative fee charged by the CPO on any contracts entered into, renewed, or amended on or after July 1, 2017.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$158,800/FY17-18
\$133,800/FY18-19 and Subsequent Years**

**Increase State Expenditures - \$158,800/FY17-18
\$133,800/FY18-19 and Subsequent Years**

Assumptions:

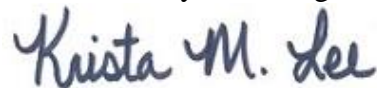
- This legislation defines a “state governmental entity” as any agency, authority, board, commission, department, or office within the executive, legislative, or judicial branches of state government, or any autonomous state agency, authority, board, commission, council, department, office, or institution of higher education.
- Based on information provided by the CPO, the office uses the Edison system to track and manage state contracts.
- Based on information provided by the CPO, contracts from the University of Tennessee, Tennessee Board of Regents, State Building Commission, including the State of Tennessee Real Estate Management System, six independent universities, the Judiciary and the General Assembly do not currently fall under the jurisdiction of the CPO and are not required to use the Edison system.
- This legislation would require the CPO to track contracts and grants from state governmental entities currently not using the Edison system.
- Pursuant to Tenn. Code Ann. § 10-7-504(i)(3), the identity of vendors who provide goods and services to protect state government property is required to be confidential.

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- Pursuant to Tenn. Code Ann. § 10-7-504(a)(3), military department records dealing with the security of the United States or the State of Tennessee are required to be confidential.
- According to CPO, an additional Administrative Assistant 4 and an additional Attorney 4 will be necessary to compile and manage the contract list and complete any confidential contract redactions.
- A recurring increase in state expenditures of \$133,839 (salary \$102,912 + benefits \$30,927).
- This legislation will result in a one-time cost of \$25,000 in FY17-18 for Edison system modifications to accommodate additional contracts and tracking features and to add an accounting module to separately track the fee component of each contract entered into after July 1, 2017.
- The total increase in state expenditures in FY17-18 is estimated to be \$158,839 (\$133,839 + \$25,000); and the recurring increase in state expenditures beginning in FY18-19 is estimated to be \$133,839.
- This legislation requires the cost of creating and maintaining such a list to be offset by an administrative fee charged on contract vendors. The increase in state revenue resulting from such fee is assumed sufficient to cover any expenditures incurred; as a result, the increase in state fee revenue in FY17-18 is estimated to be \$158,839; and the recurring increase in state revenue beginning in FY18-19 is estimated to be \$133,839.
- Based on information provided by the Comptroller, website list creation and updating can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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